



USDA Foreign Agricultural Service

# GAIN Report

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Zimbabwe

## Grain and Feed

Monthly Update

2006

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Report Highlights:

**After the corn crop planted in 2004 produced an estimated 550,000 MT, the Government of Zimbabwe announced that it intended to import 1.2 million MT to make up the shortfall from the 550,000 MT crop. Imports from South Africa at the end of April 2006 reached 1.04 million tons for the 2005/06 season, a commendable achievement considering the state of the Zimbabwean economy. The crop planted in 2005 is estimated at 900,000 MT, necessitating further imports.**

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Includes PSD Changes: Yes  
Includes Trade Matrix: No  
Unscheduled Report  
Pretoria [SF1]  
[RH]

**SUMMARY**

The 2005/06-rainfall season has come to an end. Most parts of the country have received normal to above normal rainfall except the southeastern part of the country, which has suffered a mid-season drought that has severely reduced yield potential. With corn production estimated at about 900,000 MT the country faces another food deficit after the harvest in May 2006.

Official estimates for corn are not available. The Government of Zimbabwe (GOZ) has called off a joint crop and food supply assessment mission with the FAO that would have produced official food estimates.

Preparations for wheat planting are in progress. The area to be planted under wheat is estimated at a maximum of 45,000 hectares in 2006.

Exchange rate:

April 2006    US\$1.00 = Z\$99,201 (official rate)

                 US\$1.00 = Z\$ 200,000 (parallel market rate)

**CORN**

## PSD Table

Country	Zimbabwe					
Commodity	Corn					
1000 HA	2003	Revised	2004	Estimate	2005	Forecast
1000 MT	USDA [Old]	Post [New]	USDA [Old]	Post [New]	USDA [Old]	Post [New]
Market Year Begin	05/2004		05/2005		05/2006	
Area Harvested	1365	1365	1200	1200	1300	1300
Beginning Stocks	46	46	0	0	0	25
Production	900	900	550	550	900	900
TOTAL Mkt. Yr. Imports	287	300	1050	1040	600	600
Oct-Sep Imports	233	233	700	550	900	900
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	1233	1246	1600	1590	1500	1525
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Oct-Sep Exports	0	0	0	0	0	0
Feed Dom. Consumption	125	75	75	75	75	75
TOTAL Dom. Consumption	1233	1246	1600	1565	1500	1525
Ending Stocks	0	0	0	25	0	0
TOTAL DISTRIBUTION	1233	1246	1600	1590	1500	1525

**Production**

Most of the corn crop that was planted early (November and December 2005) has matured and is ready for harvest. The short season hybrids have largely been harvested.

Rainfall in most parts of the country has been normal to above normal with the exception of the southeastern and southern parts of the country (Manicaland, Masvingo and Matebeleland South provinces) that experienced a long dry spell in February and March, reducing harvest prospects in these areas.

Constraints to production this season include shortage of inputs (seed, fertilizer and chemicals), shortage of labor for weeding particularly on the smaller commercial farms, leaching of nutrients, and a controlled price and market for the commodity. Security of land tenure is yet to be granted to beneficiaries of the land reform program and is a major constraint to long-term development and investment on the farms.

Government has not yet released official crop estimates. GOZ had earlier invited FAO to undertake a joint crop and food assessment mission but has now called it off. Our estimate is for a national corn output of about 900,000 MT, which is much lower than the optimal national requirement of about 1,6 million MT.

**Consumption**

Corn availability improved in most retail outlets in the country largely because the rural households in particular became less dependent on the market for their corn supply due to the commencement of harvests.

## Trade

Despite a serious shortage of foreign currency, imports of corn from South Africa continued as shown on the table below.

Monthly imports of corn (May 2005 to April 2006)

Month and Year	Corn imported from South Africa
2005	MT
May	107,205
June	95,166
July	95,274
August	87,327
September	87,553
October	77,650
November	87,135
December	92,431
2006	
January	51,044
February	152,583
March	78,673
April	28,584
Total	1,040,624 (with adjustments)
Average monthly imports	86,720

A total of 1.04 million MT of the 1.2 million MT government target was imported from South Africa during MY 05/06.

## Prices

The government has increased the producer price for corn for the 2006/07 selling season from to Z\$31.3 million per ton from Z\$2.2 million in the 2005/06 marketing season, giving producers a 25% return. It his hoped that the new price will cushion the farmers against inflation and the rising costs of production. Annual inflation as at the end of March was 913%.

## WHEAT

### PSD Table

Country	Zimbabwe					
Commodity	Wheat					
1000 HA	2004	Revised	2005	Estimate	2006	Forecast
1000 MT	USDA [Old]	Post [New]	USDA[Old]	Post [New]	USDA [Old]	Post [New]
Market Year Begin	07/2004		07/2005		07/2006	
Area Harvested	35	35	35	35	0	45
Beginning Stocks	100	0	100	0	100	0
Production	105	105	95	120	0	145
TOTAL Mkt. Yr. Imports	130	130	150	90	0	60
Jul-Jun Imports	130	130	150	90	0	80
Jul-Jun Import U.S.	0	21	0	0	0	0
TOTAL SUPPLY	335	235	345	210	100	205
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Jul-Jun Exports	0	0	0	0	0	0
Feed Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	235	235	245	210	0	205
Ending Stocks	100	0	100	0	0	0
TOTAL DISTRIBUTION	335	235	345	210	0	205

### Production

The estimated wheat output for 2005 has been revised up to 120,000 MT from an area of about 35,000 hectares. Wheat production has declined substantially from 329,000 MT in 2001 to 120,000 MT in 2005.

The country has a maximum potential of 65,000 hectares that could be put under irrigated winter cereals. Some of the irrigation equipment has been vandalized. There is potential to rehabilitate irrigation schemes so as to utilize the entire 65,000 hectares for winter cereal production but this will not be achieved this season. The Irrigation Association of Zimbabwe estimates that complete rehabilitation of the irrigation schemes would take 3 to 4 years.

Preparations for winter wheat production are in progress. The recommended cut off date for planting winter wheat is 15 May. An estimated 8,000 MT of wheat seed is available for planting. Should all the seed be planted, a maximum wheat area of 88,000 hectares at the seeding rate of 90kg/ha would be possible. However, the farmers' organizations indicated that the country would only be able to plant a maximum of 45,000 hectares against a government target of 110,000 hectares. Major constraints influencing their projections include limited tillage capacity, late planting, poor availability of inputs such as fertilizer and chemicals, high production costs and disincentives such as the controlled market, the unknown producer price, and late payments for the crop by the GMB.

Production will be encouraged if free marketing of wheat is introduced, a pre-planting price that ensures viability is offered to producers, producers are guaranteed security of tenure; there is timely availability of critical inputs and if power supply is reliable.

### **Consumption**

Bread is the second most important food after corn particularly in the urban areas. Due to the limited availability, GMB has been rationing wheat to millers. Since the beginning of January 2006 weekly allocations of wheat to millers have been reduced to 4,000 MT or 208,000 MT per annum against an optimum national requirement of about 300,000 MT per year.

### **Trade**

Since August 2005 the country has not officially imported any wheat due to unavailability of foreign currency for this purpose.